

VZCZCXRO2712
PP RUEHAG RUEHROV
DE RUEHDL #0384/01 1771134
ZNY CCCCC ZZH
P 251134Z JUN 08
FM AMEMBASSY DUBLIN
TO RUEHC/SECSTATE WASHDC PRIORITY 9292
INFO RUCNMEM/EU MEMBER STATES PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 DUBLIN 000384

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E.O. 12958: DECL: 06/25/2018
TAGS: [PGOV](#) [PREL](#) [EUN](#) [EI](#)
SUBJECT: IRELAND ON THE HOOK TO DEVISE SOLUTION TO LISBON
TREATY DILEMMA

REF: DUBLIN 368 AND PREVIOUS

Classified By: Ambassador Thomas C. Foley; Reasons 1.4 (B) and (D).

Summary

¶1. (C) In the past week and a half, Irish Prime Minister Brian Cowen has succeeded in getting breathing space from his counterparts in the European Council to find a solution to the dilemma created by the rejection of the Lisbon Treaty by the Irish people in a referendum on June 12 (reftel). Nonetheless, recent discussions with senior Irish officials indicate that the way forward is far from clear, in part because the Irish don't fully understand why the voters rejected the Treaty. (Eighty-two percent of the Irish say membership in the EU is good; only 46 percent voted for the Treaty). It is becoming more and more clear that the Lisbon Treaty referendum failed due to an ineffective campaign by the political parties and other 'Yes' supporters. Ireland is now on the hook to suggest ways out of the dilemma at the October 2008 meeting of the European Council. Whatever the outcome, Ireland has probably lost a significant amount of the political good-will, credibility, and clout built up since it joined the EU 35 years ago. As the former "poor man" of Europe who has received more than 83 billion euro in EU subsidies, Ireland is now seen in some parts of the EU as ungrateful. End summary.

Taoiseach Addresses the European Council

¶2. (U) On June 19, a week after the Irish rejection of the Treaty, Prime Minister Brian Cowen met in Brussels with the Heads of Government of the other 26 members at the European Council, which reportedly dedicated its entire four-hour dinner discussion to the issue. Taking his cue from his speech to the Irish Parliament on June 18 (reftel), Cowen stressed that the will of the people in Ireland had to be honored, touched on the myriad reasons for the referendum's defeat, and asserted that Ireland remained firmly committed to the European Union. Calling the defeat of the referendum "an Irish and a European challenge," he asked for time to consult with the Irish people and EU partners, which would enable his Government to "engage in serious and careful analysis of the outcome of the referendum and its implications." Cowen declared his determination to resolve the dilemma and voiced his confidence that Ireland and the EU would find an acceptable way forward.

¶3. (U) The conclusions of the June 19 European Council meeting made clear that Cowen had received the breathing space he desired. The conclusions stated that the Council agreed more time was needed to analyze the outcome of the referendum, noting that the Irish Government would actively consult, both internally and with other Member States, to suggest a way forward. Noting that the ratification process was continuing in other Member States, the Council agreed to

Ireland's suggestion to revisit the issue at the Council's meeting on October 15, 2008.

14. (C) On the same day as Cowen addressed the European Council, the Ambassador met with Minister of Justice, Equality and Law Reform Dermot Ahern (other issues reported septel), who appeared exasperated with the referendum outcome. Ahern (a former Foreign Minister, 2004-2008) declared that the Treaty had failed because of its legalistic complexity, which made it hard for 'Yes' campaigners to explain the document and difficult for voters to understand it. Ahern also intimated that some politicians didn't enthusiastically participate in the 'Yes' campaign, noting that it was hard for the politicians to assure their constituents that there was really something in the Treaty worth supporting. Ahern flatly asserted that "there was nothing the Government could have done to win the referendum -- the problem was the Treaty itself."

15. (C) Dan Mulhall, Director General, EU Division, Department of Foreign Affairs told EMBOFFs on June 24 that the tone of the European Council meeting was positive, saying that Ireland "couldn't have expected a better result." He said that the leaders of the other EU Member States displayed a good deal of understanding and recognized that the situation was a European, not merely Irish, problem. He said that the Council's process was cooperative and transparent, with no evidence of anyone ganging up on Ireland, and he voiced appreciation that the European Council had not placed any hard deadlines on Ireland. Nonetheless, Mulhall noted, it was clear that the EU leaders expect Ireland to devise a solution to the dilemma; that the Treaty ratification process

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would proceed throughout the EU; and that the EU wants to see positive progress by the October 2008 Council meeting. If Ireland has not presented a way forward by the end of the year, Mulhall predicted, the pressure on Ireland would intensify greatly.

16. (C) When asked what the way forward might be, Mulhall replied that he did not know. He said that in spite of a recent poll -- which indicated that 82 percent of the Irish people think Ireland has benefited from membership in the EU -- only 46 percent of voters supported the Treaty on June 12. He stated that Ireland needed a period of reflection. Mulhall mentioned his and others' surprise at the outcome despite a 53 percent turnout, when it had been widely believed that a voter turn-out of more than 45 percent of the electorate would ensure passage.

17. (C) In response to a question whether any solution to the problem was "off the table," Mulhall said all options -- including another referendum -- had to be kept open as the Irish Government teased out options that would satisfy Ireland's fellow EU Member States, while meeting the needs and expectations of the Irish people. He noted that Ireland could attempt to remain within the terms of the current EU treaties (which would likely create a two-tier EU), try to re-negotiate the Lisbon Treaty (which would probably not be acceptable to other EU Member States), or devise modifications to make the Lisbon Treaty work. Mulhall revealed that the Government has commissioned studies to sift through the referendum results and determine why the voters rejected the Treaty. These studies, he said, would inform the way forward. He stated that the defeat of the Lisbon Treaty was much more significant than the defeat of the first Nice Treaty in 2002 because the percentage of the electorate voting was so much higher in the Lisbon defeat.

18. (C) Mulhall commented that the election result indicated a huge shift in Irish public opinion, noting that more than 300,000 additional voters voted 'No' in the Lisbon Treaty than had voted 'No' in the 2002 Nice Treaty referendum. Paradoxically, he added, polls subsequent to the Lisbon referendum indicated that the popularity of the political

parties (which were leading the 'Yes' campaign) have held steady in spite of the referendum's defeat. The 'No' vote, he concluded, had little to do with lack of support for the Government, and everything to do with protests against a proliferation of narrow single issues, perhaps the greatest of which was a mild, but widespread and seemingly growing, concern that the Treaty would cede too much of Ireland's national authority to Europe. The emergence of such a euroskeptic view, Mulhall reflected, was a new phenomenon in Ireland, which would complicate the Government's efforts to devise a solution to the Treaty's rejection.

Comment

19. (C) The verdict seems to be that the Lisbon Treaty referendum failed due to an ineffective campaign by the political parties and other 'Yes' supporters in getting out the 'Yes' message. Ireland is now on the hook to choreograph a solution to the dilemma -- and it is hard to see how Ireland can avoid another referendum in light of the constitutional and judicial requirements that changes to the existing EU Treaties must be ratified by the people. Whatever the outcome, Ireland has probably lost a significant amount of the political good-will, credibility, and clout built up since it joined the EU 35 years ago. As the former "poor man" of Europe who has received more than 83 billion euro in EU subsidies, Ireland is now seen in some parts of the EU as ungrateful.

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